



**PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE

COURSE CODE: BAC1100S	COURSE NAME: BUSINESS ACCOUNTING 1A
SESSION: JULY/AUGUST 2024	PAPER: THEORY AND CALCULATIONS
DURATION: 2 HOURS	MARKS: 80
SECOND OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER	MRS Z. VAN DER WALT
MODERATOR:	MRS Y. ANDREW
INSTRUCTIONS	
<ol style="list-style-type: none">1. Answer ALL the questions on the answer sheet2. Read all the questions carefully before answering.3. All questions count for one mark unless otherwise indicated4. The examination paper consists of 52 questions5. The use of a non-programmable calculator is allowed6. There is only one correct option, the shading of more than one option will be marked as incorrect7. Make sure to shade your student number correctly	

THIS QUESTION PAPER CONSISTS OF 17 PAGES (including this front page)

Best of luck!

Example of a completed examination answer sheet

Surname, Initials
Angula, HM

Study Mode/Centre
DI Windhoek/FM/
PM/Rundu

Test No
Friday/Saturday

Only choose either Friday or Saturday

Choose your mode according to your registration

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1	A	B	C	D	E	21	A	B	C	D	E	31	A	B	C	D	E
2	A	B	C	D	E	22	A	B	C	D	E	32	A	B	C	D	E
3	A	B	C	D	E	23	A	B	C	D	E	33	A	B	C	D	E
4	A	B	C	D	E	24	A	B	C	D	E	34	A	B	C	D	E
5	A	B	C	D	E	25	A	B	C	D	E	35	A	B	C	D	E
6	A	B	C	D	E	26	A	B	C	D	E	36	A	B	C	D	E
7	A	B	C	D	E	27	A	B	C	D	E	37	A	B	C	D	E
8	A	B	C	D	E	28	A	B	C	D	E	38	A	B	C	D	E
9	A	B	C	D	E	29	A	B	C	D	E	39	A	B	C	D	E
10	A	B	C	D	E	30	A	B	C	D	E	40	A	B	C	D	E

Test Sheet (0565)

This is only an example, shade your own student number according to this guideline.

11 A B C D E

12 A B C D E

13 A B C D E

14 A B C D E

15 A B C D E

16 A B C D E

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18 A B C D E

19 A B C D E

20 A B C D E

Student No

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●	1	1	1	1	1	1	1	1
2	●	2	2	2	2	2	2	2
3	3	●	3	3	3	3	3	3
4	4	4	●	4	4	4	4	4
5	5	5	5	●	5	5	5	5
6	6	6	6	6	●	6	6	6
7	7	7	7	7	7	●	7	7
8	8	8	8	8	8	8	●	8
9	9	9	9	9	9	9	9	●

Refers to the Key indicated on the question paper

Key

● B C D

Background Information

This question paper is based on a trader, "JEANS CC", with a financial year end of 30 April. JEANS CC is registered for VAT on the invoice basis, in terms of the Namibian Valued Added Tax Act. VAT, where applicable, is included in their prices.

JEANS CC is situated in Windhoek and sells clothing to the local market. Sales are done on a cash basis and on credit to pre-approved customers. JEANS CC buys clothing on credit from suppliers and, to a lesser extent, using an electronic transfer option.

Although all the questions are based on the JEANS CC's transactions, the questions, unless otherwise stated, are unrelated. Therefore, please read the instructions for each question.

The question paper is divided into different sections; each section focuses on a specific topic/aspect.

General Accounting Theory (6 Marks)

1. **JEANS CC's Financial Accounting information....**
 - a. should be incomplete in order to confuse competitors
 - b. Should be prepared differently for each company or business
 - c. Provides creditors guarantees about the future
 - d. Summarizes what has already occurred
 - e. None of the above
2. **Which of the following is a fundamental characteristic of financial statements:**
 - a. Relevance
 - b. Comparability
 - c. Timeliness
 - d. Verifiability
 - e. None of the above
3. **The Prudence concepts**
 - a. Provides that all significant information must be included in the financial statements, while items which are not significant need not be shown separately in the financial statement.
 - b. Provides that income and expenses are recognized and recorded in the correct time period.
 - c. Provides that accountants should be conservative in the preparation of financial statements and should take care not to overstate assets or income and not to understate liabilities and expenses.
 - d. Is a collection of rules and procedures and guidelines for accountants to follow when recording and reporting financial information?
 - e. None of the above
4. **The Concept "Timeliness" means:**
 - a. To prepare the financial statements within a month after the financial year end.
 - b. To have information available to decision makers in time for them to be capable of influencing the decisions.
 - c. Only items related to the financial year should be included in the financial statements.
 - d. Transactions and events should be recognized in the financial period in which they occur and not when cash or cash equivalents are received or paid.
 - e. None of the above
5. **The enhancing qualitative characteristics of financial statements include**
 - a. Understandability and faithful representation
 - b. Relevance and faithful representation
 - c. Relevance and timeliness
 - d. Comparability and understandability
 - e. None of the above

6. Which of the following statements is true about the accounting equation?
- The accounting equation represents that the sources in a business are not equal to the resources of that business.
 - The accounting equation represents that the resources are allocated to the business at a cost price.
 - The accounting equation represents that the sources in a business are equal to the resources of that business.
 - The accounting shows that transactions are in balance.
 - None of the above

The Accounting Equation (10 Marks)

Question 7 - 11: You are required to select the option which explains the effect on the accounting equation for JEANS CC. Each question counts for two marks. One mark is awarded for partially correct answers.

7. The member of JEANS CC made a capital contribution of N\$200,000, which was deposited in the business's bank account.
- Owners' equity will decrease by N\$200,000, and assets will increase by N\$200,000
 - Owners' equity will increase by N\$200,000, and assets will increase by N\$200,000
 - Owners' equity will decrease by N\$200,000, and liabilities will decrease by N\$200,000
 - Assets will decrease by N\$200,000, and liabilities will decrease by N\$200,000.
 - None of the above options is correct.
8. JEANS CC paid their employees their monthly salaries. The payment was made via N\$70,000.
- Owners' equity will increase by N\$70,000, and assets will decrease by N\$70,000
 - Owners' equity will increase by N\$70,000, and assets will increase by N\$70,000
 - Owners' equity will decrease by N\$70,000, and assets will decrease by N\$70,000
 - Assets will increase by N\$70,000, and liabilities will increase by N\$70,000
 - None of the above options is correct.
9. JEANS CC bought clothing items on credit from a local supplier, N\$14,000.
- Liabilities will decrease by N\$14,000, and assets will decrease by N\$14,000
 - Liabilities will decrease by N\$11,000, and assets will decrease by N\$11,000
 - Assets will increase by N\$10,000, and liabilities will increase by N\$10,000
 - Owners' equity will decrease by N\$14,000, and liabilities will increase by N\$14,000
 - None of the above options is correct.
10. JEANS CC paid the supplier, N\$10,000.
- Liabilities will decrease by N\$10,000, and assets will decrease by N\$10,000
 - Owners' equity will decrease by N\$10,000, and liabilities will increase by N\$10,000
 - Liabilities will increase by N\$10,000, and owners' equity will increase by N\$10,000
 - Assets will increase by N\$10,000, and liabilities will increase by N\$10,000
 - None of the above options is correct.

11. The member of JEANS CC needed cash to pay for an overseas holiday and withdrew N\$10,000 from the bank account.
- Owners' equity will increase by N\$10,000, and liabilities will decrease by N\$10,000.
 - Liabilities will decrease by N\$10,000, and assets will decrease by N\$10,000
 - Owners' equity will decrease by N\$10,000, and assets will decrease by N\$10,000
 - Assets will increase by N\$10,000, and liabilities will increase by N\$10,000
 - None of the above options is correct.

Value Added Tax (9 Marks)

(These questions do not relate to JEANS CC)

12. Which one of the following is not zero-rated VAT supply?
- Motor oil
 - Fuel purchased by a service station
 - Goods exported to Angola
 - Mahangu sales
 - None of the above.
13. Which one of the following is not a taxable VAT supply?
- Bank Charges charged by Bank Windhoek.
 - Spur burger to a South African passport holder
 - A fishing rod bought to do some fishing in Angola
 - Renting a flat for residential purpose.
 - None of the above
14. Which one of the following forms of transport is a zero-rated taxable supply?
- Travelling with the school bus to Katima Mulilo
 - Travelling with a bus to Zambia
 - Travelling with a shuttle to Swakopmund
 - Travelling by a car owned by a tour operator to a lodge in Tsumeb.
 - None of the above
15. Waltons sold 20 x boxes of crayons to a local school in aid of their preschool program. The price, excluding VAT, per box of crayons is N\$350. How much is the VAT on the total purchase, and how much will the school pay for the goods? (2 marks)
- VAT is zero, and the total price is N\$7,000.
 - VAT is N\$913, and the total price is N\$7,000.
 - VAT is N\$1,050, and the total price is N\$8,050.
 - The items are exempt from VAT
 - None of the above.
16. Mr. Farmer bought new tyres for his vehicle on 1 April 2024 and received an invoice for N\$9,000 (VAT included). He paid the invoice on 19 April 2024. On which day will VAT be accounted for, and how much VAT will be accounted for (2 marks)
- 19 April 2024, N\$1,350
 - 1 April 2024, N\$1173.91
 - No VAT will be accounted for as credit sales are not subject to VAT
 - No VAT will be accounted for as tyres are an exempt supply.
 - None of the above

17. Mrs Smart bought motor oil from the local service station and paid N\$800, excluding VAT. How much is the VAT on the total purchase, and the total purchase price including VAT (2 marks)
- Zero-rated VAT and the total price including VAT is N\$800.
 - N\$117 VAT, and the price excluding VAT is N\$683.
 - VAT is exempted, and the price excluding VAT is N\$800
 - N\$120 VAT and the price including VAT is N920
 - None of the above

Source documents and journals (3 marks)

JEANS CC entered into various transactions during April 2024. You are required to identify the correct journal (book of first entry) in which you will enter the specific transaction, numbered questions 18-20.

18. JEANS CC purchased an office desk from Waltons and paid via EFT.
- Cash Book
 - Sales Journal
 - Sales Returns Journal
 - Purchases Journal
 - Purchases Return Journal
19. JEANS CC bought clothing items, which they intend to resell, on credit from CLOTHING.COM.
- Sales Journal
 - Sales Returns Journal
 - Cash Book
 - Purchases Journal
 - Purchases Return Journal
20. JEANS CC returned five phones to CLOTHING.COM. JEANS CC received a credit. The supplier is registered for VAT.
- Cash Book
 - Sales Journal
 - Sales Returns Journal
 - Purchases Journal
 - Purchases Return Journal

Books of First Entry and VAT – Application (5 marks)

The following information relates to questions 21 – 25.

All amounts, where applicable, include VAT at 15%. You are required to, carefully consider the different options of “books of first entry” entries and choose the correct option.

21. The member of JEANS CC made a capital contribution and deposited it in the bank account, N\$200,000

Option a: Cash Payment Journal – April 2024 CPJ1

Date	Doc	Details	Fol	Bank N\$	VAT	Suppliers N\$	Purchases N\$	Sundries	Details
		Capital		200,000	0			200,000	Member

Option b: Cash Payment Journal – April 2024 CPJ1

Date	Doc	Details	Fol	Bank N\$	VAT	Suppliers N\$	Purchases N\$	Sundries	Details
		Capital		200,000	26,087			173,913	Capital

Option c: Cash Receipt Journal – April 2024 CPJ1

Date	Doc	Details	Fol	Bank	VAT	Suppliers	Purchases	Sundries	Details
		Capital		230,000	30,000			200,000	Capital

Option d: Cash Receipt Journal – April 2024 CPJ1

Date	Doc	Details	Fol	Bank	VAT	Suppliers	Purchases	Sundries	Details
		Capital		200,000	0			200,000	Capital

Option e: None of the above options are correct.

22. JEANS CC sold goods on credit to Big Daddy, N\$3,450.

Option a: Sales Journal April 2024. SRJ1

Date	Doc	Accounts Receivable	Fol	Total	Sales	VAT
		Big Daddy		3450.00	3000.00	450.00

Option b: Sales Journal April 2024. SRJ1

Date	Doc	Accounts Receivable	Fol	Total	Sales	VAT
		Big Daddy		3000.00	2608.70	391.30

Option c: Cash Receipt Journal April 2024. CPJ1

Date	Doc	Details	Fol	Bank N\$	VAT	Sales	Suppliers
		Big Daddy		3000	391.30	2608.70	

Option d: Cash Receipt Journal April 2024. CPJ1

Date	Doc	Details	Fol	Bank N\$	VAT	Sales	Suppliers
		Big Daddy		15,000	1956.52	13043.48	

Option e: None of the above options are correct

23. Big Daddy returned clothing amounting to N\$1,000.

Option a: Sales Journal April 2024. SJ1

Date	Doc	Accounts Receivable	Fol	Total	Sales	VAT	Sundries N\$	Details
		Big Daddy		1000	869.57	130.43		

Option b: Cash Receipt Journal April 2024. CRJ1

Date	Doc	Details	Fol	Bank N\$	VAT	Purchases Returns	Sales N\$
		Big Daddy		1000	130.43	869.57	

Option c: Sales Return Journal April 2024. SRJ1

Date	Doc	Accounts Receivable	Fol	Total N\$	Sales Returns N\$	VAT	Sundries N\$	Details
		Big Daddy		1000	869.57	130.43		

Option d: Purchases Return Journal April 2024. PRJ1

Date	Doc	Accounts Payable	Fol	Total N\$	Purchases Returns N\$	VAT	Sundries N\$	Details
		Big Daddy		1,150	1000	150		

Option e: None of the options are correct.

24. Big Daddy paid their account N\$2,000

Option a: Cash Payment Journal April 2024. (CPJ1)

Date	Doc	Details	Fol	Bank N\$	VAT	Purchases	Suppliers
		Big Daddy		2,300	300		2000

Option b: Cash Payment Journal April 2024. (CPJ1)

Date	Doc	Details	Fol	Bank N\$	VAT	Purchases	Suppliers
		Big Daddy		2000			2000

Option c: Cash Receipt Journal April 2024 (CRJ1)

Date	Doc	Details	Fol	Bank N\$	VAT	Customers	Sales N\$
		Big Daddy		2000			2000

Option d: Cash Receipt Journal April 2024 (CRJ1)

Date	Doc	Details	Fol	Bank N\$	VAT	Customers	Sales N\$
		Big Daddy		2000		2000	

Option e: None of the above options are correct.

25. JEANS CC paid their telephone bill from MTC Namibia, N\$3,450

Option a: Cash Payment Journal – April 2024 CPJ1

Date	Doc	Details	Fol	Bank N\$	VAT	Suppliers N\$	Purchases N\$	Sundries	Details
		MTC Namibia		3,450	450			3,000	Telephone

Option b: Cash Payment Journal – April 2024 CPJ1

Date	Doc	Details	Fol	Bank N\$	VAT	Suppliers N\$	Purchases N\$	Sundries	Details
		MTC Namibia		3,450				3450	Telephone

Option c: Cash Payment Journal – April 2024 CPJ1

Date	Doc	Details	Fol	Bank N\$	VAT	Suppliers N\$	Purchases N\$	Sundries	Details
		Telecom		3,450	450			3000	Telephone

Option d: Cash Receipt Journal – April 2024 CRJ1

Date	Doc	Details	Fol	Bank N\$	VAT	Suppliers N\$	Purchases N\$	Sundries	Details
		Telecom		3,450				3000	Telephone

Option e: none of the options are correct

General ledger application (15 Marks)

This information relates to Questions 26, 27 and 28. You are given the following totals of the books of first entry for JEANS CC. In addition, the following accounts had opening balances as of 1st April 2024.

- The bank had a positive balance of N\$39,000
- Suppliers, N\$18,900
- Customers: N\$10,000
- Value Added Tax: N\$4,000 credit

Purchases Journal

- Total for Suppliers: N\$19,205
- Total for Purchases: N\$15,000
- Total for Stationery: N\$1,700
- Total for VAT: N\$2,505

Purchases Return Journal

- Total for Suppliers: N\$17,825
- Total for Purchases: N\$15,500
- Total for VAT: N\$2,325

Sales Journal

- Total for customers: N\$9,200
- Total for Sales: N\$8,000
- Total for VAT: N\$1,200

Cash Receipt Journal

- Bank: N\$19,850
- Customers: N\$7,200
- Sales: N\$11,000
- VAT: N\$1,650

Cash Payment Journal

- Bank: N\$22,350
- Suppliers: N\$12,000

- Purchases: N\$4,000
- Rent paid: N\$5,000
- VAT: N\$1350.00

26. You are required to use the information provided and show the VAT account for the month of April 2024 (6 Marks)

Option a: Value-Added Tax

30 April	Suppliers	PJ1	2,325	1 April	Balance	b/d	4,000
	Bank	CRJ1	1,650	30	Suppliers	PJ1	2,505
	Customers	SJ1	1,200		Bank		1,350
	Balance	c/o	5,175				
			7,855				7,855

Option b: Value-Added Tax

30 April	Suppliers	PJ1	2,505	1 April	Balance	b/d	4,000
	Bank	CPJ1	1,350	30	Suppliers	PRJ1	2,325
	Balance	c/o	5,320		Customers	SJ1	1,200
					Bank	CRJ1	1,650
			9,175				9,175

Option c: Value-Added Tax

30 April	Purchases	PJ1	2,505	1 April	Balance	b/d	4,000
	Bank	CPJ1	1,650		Customers	SJ1	1,200
	Balance	c/o	2,695		Bank	CRJ1	1,650
			6,850				6,850

Option d: Value-Added Tax

30 April	Suppliers	PJ1	2,325	30 April	Suppliers	b/d	4,000
	Bank	CPJ1	1,650		Suppliers	PRJ1	2,325
	Balance	c/o	3,550		Customers	SJ1	1,200
			7,525				7,525

Option e: None of the above options are correct

27. You are required to use the information provided and show the “Suppliers” account for the month of April 2024 (5 marks)

Option a

Suppliers

30 April	Purchases Returns and VAT	PRJ1	17,825	1 April	Balance	b/d	18,900
	Bank	CPJ1	12,000	30	Purchases and VAT	PJ1	19,205
	Balance	c/o	8,280				
			38,105				38,105

Option b

Suppliers

30 April	Purchases Returns and VAT	PRJ1	17,825	1 April	Balance	b/d	18,900
	Bank	CPJ1	12,000	30	Purchases and VAT	PJ1	19,205
	Profit/loss		8,280				
			38,105				38,105

Option c

Suppliers

30 April	Purchases and VAT	PJ1	19,205	1 April	Balance	b/d	18,900
	Profit/Loss		29,520	30	Purchases and VAT	PJ1	17,825
					Bank	CPJ1	12,000
			48,725				48,725

Option d

Suppliers

30 April	Purchases Returns and VAT	PRJ1	17,825	30	Purchases and VAT	PJ1	19,205
	Bank	CPJ1	12,000		Profit/Loss		10,620
			29,825				29,825

Option e: None of the above options are correct

28. You are required to use the information provided and show the “Bank” account for the month, indicating the closing balance as of the end of April 2024 (4 marks)

Option a

Bank

1 April	Balance	c/o	39,000	30 April	Total payments	CPJ1	22,350
	Total receipts	b/d	19,850		Profit/Loss		36,500
			58,850				58,850

Option b

Bank

1 April	Balance	c/o	39,000	30 April	Total payments	CPJ1	22,350
	Total receipts	b/d	19,850		Balance	c/o	36,500
			58,850				58,850

Option c

Bank

1 April	Balance	c/o	39,000	30 April	Total receipts	CRJ1	19,850
	Total payments	CPJ1	22,350		Balance	c/o	41,500
			61,350				61,350

Option d

Bank

1 April	Balance (1)	c/o	39,000	30 April	Total receipts	CRJ1	19,850
	Total payments	CPJ1	22,350		Profit/Loss		41,500
			61,350				61,350

Option e: None of the above.

Trial Balance (4 Marks)

29. When the debit balance is equal to the credit balance in the trial balance, it means

- Account balances are correct
- Mathematically Capital+Liabilities=Assets
- No mistake in recording transactions
- No mistake in posting entries to ledger accounts
- None of the above

30. A trial balance prepared after taking into account the effect of adjusting entries is known as:

- Financial trial balance
- Adjusted trial balance
- Post-adjusted trial balance
- Normal trial balance
- None of the above

31. What records or books are used when preparing a trial balance

- a. Specialised Journals
- b. Balance Sheet
- c. Ledger Accounts
- d. General Journal
- e. None of the above

32. Which of the following errors in the journal entry will not be detected by trial balance:

- a. The debit entry is overstated, but the credit entry is correctly recorded
- b. The debit entry is correctly recorded, but the credit entry is overstated
- c. Both the debit and credit entries are overstated by the same amount
- d. The debit entry is correctly recorded, but the credit entry is understated
- e. None of the above

Year-end adjustments (21 Marks)

You are provided with a list of balances for JEANS CC as on 30 April 2024.

Capital	162,300
Drawings	24,000
Motor vehicles at cost	220,000
Accumulated depreciation: Motor Vehicles	88,000
Inventory (1/5/2023)	50,000
Customers	35,000
Suppliers	42,000
Bank Overdraft	35,000
6% Investment at Capricorn (2022)	140,000
Sales	500,000
Interest received on investment	6,200
Purchases	210,000
Salaries and Wages	156,000
Telephone	11,280
Insurance	14,500
Stationery	1,720
Advertising	3,500
Rent Received	42,000
Credit losses	2,400

Notes:

- A further debt of N\$3,000 has to be written off.
- The telephone account for April 2024 is still outstanding, N\$1,200
- The rent received relates to a storeroom that is leased to Mr. B. Mr. B went on an overseas trip and paid the rent for May and June 2024. The rent received was constant throughout the year.
- Depreciation on motor vehicles is charged at 20% of the cost. No residual value is applicable.
- The office administrator went on maternity leave. JEANS CC paid her salary for May 2024 on 20th April 2024. Mary, the office administrator, is the only employee, and she receives the same amount every month.
- Inventory as per inventory count on year-end is presented as N\$35,000.

33. The cost of Sales will be calculated as (3 marks)

- a. N\$200,000
- b. N\$225,000
- c. N\$146,200
- d. N\$96,200
- e. None of the above is correct

34. The total credit losses for the year are (2 marks)

- a. N\$5,400
- b. N\$2,400
- c. N\$3,000
- d. N\$600
- e. None of the above is correct

35. The interest receivable on the investment will have the following effect on the financial statements (2 marks)

- a. Total income is N\$8,400, and an accrued income of N\$2,200 is raised
- b. Total income is N\$8,400, and an accrued income of N\$8,400 is raised
- c. The total expense is N\$8,400, and an accrued expense of N\$2,200 is raised
- d. Total income is N\$7,200, and an accrued income of N\$2,600 is raised
- e. None of the above is correct

36. The adjustment relating to the telephone expense will have the following effect on the financial statements (2 marks)

- a. The total expense is N\$11,280, and an accrued expense of N\$1,200 is raised
- b. The total expense is N\$12,480, and a prepaid expense of N\$1,200 is raised
- c. Total expense is N\$11,280
- d. Total expense is N\$12,480, and an accrued expense of N\$1,200 is raised
- e. None of the above is correct.

37. The adjustment relating to rent received will have the following effect on the financial statements (2 marks)

- a. The total income is N\$36,000, and an asset of N\$6,000 will be raised
- b. The total income is N\$36,000, and a liability of N\$6,000 will be raised
- c. Total income is N\$39,000, and an income received in advance of N\$6,000 will be raised
- d. Total income is N\$33,000, and a liability of N\$3000 will be raised.
- e. None of the above is correct.

38. The following statement is correct regarding the motor vehicles as at the end of the book year (3 marks)

- a. The depreciation charge on motor vehicles for 2024 is N\$44,000, the accumulated depreciation after the adjustment is N\$44,000, and the net book value is N\$176,000
- b. The depreciation charge on motor vehicles for 2024 is N\$26,400, the accumulated depreciation after the adjustment is N\$114,400, and the net book value is N\$79,200.
- c. The depreciation charge on motor vehicles for 2024 is N\$44,000, the accumulated depreciation after the adjustment is N\$132,000, and the net book value is N\$88,000
- d. The depreciation charge on motor vehicles for 2024 is N\$26,400, the accumulated depreciation after the adjustment is N\$88,000, and the net book value is N\$132,000
- e. None of the above

- 39. Calculate the gross profit for the year under review, assuming a cost of sales of N\$290,000**
- N\$790,000
 - N\$210,000
 - N\$300,000
 - N\$320,000
 - None of the above
- 40. Which one of the following options, showing different accounts, will be shown in the Current Asset Section:**
- Cash, Bank, Accrued Income
 - Cash, Bank Overdraft, Income received in Advance
 - Income Received in Advance, Prepaid Expenses, Depreciation
 - Accrued Expenses, interest paid, Bank Overdraft
 - None of the above
- 41. Which one of the following options, showing different accounts, will be shown in the Current Liabilities Section:**
- Cash, Bank Overdraft, Income Received in Advance
 - Bank Overdraft, Accrued Income, Bad debts
 - Customers, Accrued Expenses, Short-term Loans
 - Suppliers, Short-term Loans, Income Received in Advance
 - None of the above
- 42. Which one of the options below, showing different accounts, will appear in the Statement of Financial Position?**
- Suppliers, Debtors, Sales
 - Inventory, Bonds, Interest paid on bonds
 - Bank Overdraft, Cash, Motor Vehicles, Accrued Expenses
 - Inventory, Purchases, Suppliers
 - None of the above options is correct
- 43. Which one of the options below, showing different accounts, will appear in the Statement of Profit or Loss?**
- Bank, Cash, Motor Vehicles, Sales
 - Purchases, Interest paid on Bonds, Sales Returns
 - Sales, Purchases, Investments
 - Sales, Purchases, Loans
 - None of the above options is correct
- 44. Accumulated depreciation will be shown in the following financial statement:**
- Statement of Profit or Loss
 - Statement of Financial Position
 - Cashflow Statement
 - Statement of changes in equity
 - None of the above is correct
- 45. Which one of the following statements is correct?**
- Annual depreciation charges will be more when an asset has no residual value.
 - An asset's cost price less depreciation will be shown as the book value.
 - The reducing depreciation is a recognised method for calculating depreciation.
 - The book value of an asset after its useful life will be zero.
 - None of the above

Bank reconciliation (6 marks)

The following questions assume that the bank reconciliation commences with the closing balance on the bank statement.

- 46. On the bank statement, cash deposited is shown as a?**
- Credit entry
 - Debit entry
 - Expense
 - Profit
 - None of the above is correct
- 47. Which of the following items on a bank reconciliation would NOT require an adjusting entry on the company's books?**
- Outstanding deposits
 - Bank charges
 - An error by the bank
 - Interest Received
 - None of the above
- 48. Which of the following statements is incorrect?**
- A credit balance in the bank statement indicates more deposits than withdrawals.
 - Bank charges increase a debit balance on the bank statement
 - A bank reconciliation is not part of the bank statement
 - The business prepares a bank statement
 - None of the above
- 49. The Cash Book debit balance is equivalent to?**
- Credit Balance as per bank statement**
 - Overdraft as per Cash Book
 - Overdraft as per bank statement
 - Debit balance as per the bank statement
 - None of the above is correct
- 50. A deposit that appears in the cashbook but is still not on the bank statement will be recorded as follows:**
- Debit the bank account
 - Credit the bank account
 - On the debit column of the bank reconciliation
 - On the credit column of the bank reconciliation.
 - None of the above
- 51. A payment received from a debtor appears on the bank statement but not in the cashbook. The following entry should be made:**
- Debit the bank account
 - Credit the bank account
 - On the debit column of the bank reconciliation
 - On the credit column of the bank reconciliation
 - None of the above

General Bonus Mark

- 52. Please give us your opinion on the approach followed in this module.**
- I did not like the online classes and prefer entirely face-to-face classes (without any videos and recordings)
 - I prefer fully online classes with all videos and recordings.
 - I have no opinion.

End of the examination paper



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29/07/2024

SURNAME, INITIALS MODE OF STUDY OR REGION

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Student No

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4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7
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28/04/2024